

Mobile Communications Policy

Background

The Internal Revenue Service (IRS) considers employer provided cell phones (including “smart phones” or personal digital assistants (PDAs) to be “listed property” for the purposes of tax treatment (section 280F (d)(4)(A)(v))[\[1\]](#). A significant amount of record keeping is needed in order to qualify the use of the cell phone or PDA for business related purposes. Section 274(d)(4) of the IRS code describes the steps necessary to document such business use of listed property and includes (a) the amount of the expense, (b) the time and place of the call, and (c) the business purpose of the call[\[2\]](#). This amount of record keeping is not only onerous for the employee, but also for the employer.

Coverage

This policy covers items which primary intended use is telecommunications related, i.e. cell phones, smart phones, Personal Digital Assistants (PDAs), etc. This policy is not intended to cover items that may have telecommunication capabilities through applications, but are used primarily for personal computing, i.e. laptops, tablets, iPads, etc. Mobile computers and tablets are covered under different policy.

Policy

Wellington does not own cellular telephones or PDAs and does not contract with cellular providers for monthly service for cellular phones or PDAs (with certain exceptions as noted below). Those employees who have a documented business need for a cellular telephone or PDA will receive a taxable allowance for such service as described below.

Important Note: By agreeing to this policy and accepting a mobile communications allowance, employees understand they will be required use their mobile device in all business situations and be available to take calls (or answer emails) as directed by their supervisor.

Procedure

All employees with a business-related need for a cellular telephone or PDA allowance must complete the “[Mobile Communications Allowance Request Form](#).” This form must be approved by the employee’s direct supervisor and the appropriate Senior Manager. Once completed, the form will be routed to the approved or denied folder, with notification sent to the Clerk’s office, IT, and OFMB. Once received and processed by OFMB, a taxable monthly allowance will be added to the employee’s first paycheck of each month. This allowance amount will be charged to the appropriate departmental operating budget as indicated on the eligibility form.

Important Note: The implementation of this policy dictates a Wellington purchasing card may not be used to pay for cellular phone charges.

Cellular/PDA Service Allowance

The amount of monthly allowance is based upon a typical contract necessary to meet business related needs for either voice services or, in the case of a PDA, for voice and data services. Wellington offers reimbursement plans based on the employee being eligible for voice only or voice and data services as noted below:

Usage Level	Allowance
Voice Only	\$30 per month
Voice and Data	\$50 per month

Note that this allowance does not represent an increase in base pay. The allowance will continue unless OFMB is notified in writing either by the employee, or the supervisor that the allowance is to cease.

A yearly review of the need for a cellular telephone or PDA will be conducted by the supervisor and Senior Manager.

No additional reimbursement will be provided to those receiving a monthly allowance even if the monthly charges to the employee exceed the allowance amount. However, allowances can be changed at any time should circumstances or needs change. All requests for a change in allowance must be made by the supervisor in writing using the “[Mobile Communications Allowance Change Form](#)”. When completed, the form will be sent to the OFMB. When contracting for services, the employee should inquire as to the availability of any discounts that may be available to Wellington employees. A list of such discounts is also maintained by the Purchasing Office.

Cellular/PDA Equipment Allowance

Wellington also provides employees with a taxable equipment allowance towards the initial purchase of a new cellular phone or PDA, and for the replacement of a cellular phone or PDA (where the replacement may occur no more frequently than once every 2 years). In order to receive an equipment allowance the employee must submit proof in the form of an original paid receipt showing the purchase of the new cellular phone or PDA and with its cost clearly indicated. For cellular phones the amount of the equipment allowance will be the lesser of the actual cost of the new cellular phone or \$50. For PDAs the amount of the equipment allowance will be the lesser of the actual cost of the new PDA or \$150. Equipment allowances must be requested using the “[Mobile Equipment Request Form](#)”. Once completed, the form will be routed to the approved or denied folder, with notification sent to the Clerk’s office and OFMB. Approved equipment allowances will then be processed for the taxable amount through Payroll.

Because the phone or PDA is owned by the employee, and the allowance is taxable, the phone or PDA may be used by the employee for both personal and business related calls. The employee may also use the allowance as they see fit in order to obtain cellular service and may freely use it to purchase an individual cellular plan or a so-called “family” plan.

All contracts for service must be taken out in the name of the employee receiving the allowance and may not be taken out in the name of Wellington.

Support for cellular phones and PDAs

All support for cellular phones and PDAs is provided by the cellular service company chosen by the employee. Information Technology (including Telecommunications) cannot offer any support for individually owned cellular phones or PDAs. However, Information Technology will provide support for Wellington provided software that is used on those devices to synchronize them with Wellington email accounts, calendars or other Wellington systems and services.

Changes to cellular contracts

Wellington reserves the right to change or terminate this policy regarding allowances for cell phone or PDA service and equipment. Individuals eligible for receipt of an allowance should understand that they are personally liable for monthly charges or termination fees, regardless of employment status or any change in this reimbursement policy.

Special Procedures for Wellington owned cellular phones and PDAs

In some situations, it may be necessary or advantageous for Wellington to own and pay the monthly service charges for cellular telephones and PDAs. The purchase and use of such devices must be approved in advance by the appropriate supervisor, Senior Manager, and the Chief Information Officer. In those cases where Wellington directly pays for the cellular voice or PDA contract, the cellular phone or PDA may not be used for personal purposes..